

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 EA-07 ISO-00 L-03 STR-04 TRSE-00
SP-02 COME-00 CIAE-00 INR-07 NSAE-00 SS-15 NSC-05
AID-05 IGA-02 EB-08 (ISO) W
-----019889 070126Z /13

R 060845Z AUG 77

FM AMEMBASSY MANAMA
TO SECSTATE WASHDC 5029
INFO AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
AMEMBASSY BAGHDAD
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY BONN
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MUSCAT
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TEL AVIV
AMEMBASSY TRIPOLI
AMEMBASSY TOKYO
AMEMBASSY SANA

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E.O. 11652: N/A

TAGS: ETRD, PFOR, BA, QA, UK

SUBJECT: ARAB BOYCOTT: RESISTANCE BY BRITISH BANKS TO USE OF
POSITIVE CERTIFICATIONS

REF: (A) LONDON 12053 (B) STATE 167300 AND RELATED
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1. APPROACH MADE TO LORD BARBER, CHAIRMAN OF STANDARD
BANK, BY EMBASSY LONDON (REFTEL A) SEEMS TO BE GETTING RESULTS
IN BAHRAIN. ON AUGUST 2 WE WERE CONTACTED BY OFFICER OF
CHARTERED BANK BAHRAIN WHO HAVE NOW COME TWICE TO EMBASSY
WITH DRAFT OF NEW LETTER OF CREDIT FORMAT WHICH HE WISHED
EMBASSY TO VET. HE SAID THAT THE NEW FORMAT HAD BEEN

CLEARED WITH THE ISRAEL BOYCOTT OFFICE OF BAHRAIN. THE NEW FORMAT LOOKED ACCEPTABLE TO US AS WE UNDERSTAND THRUST OF NEW LEGISLATION REGARDING THE BOYCOTT AND AMERICAN FIRMS PARTICIPATION THEREIN. JUST TO MAKE SURE, WE SUGGESTED THAT HE COMPARE HIS DRAFT WITH THE SIMPLER, LESS WORDY ONES ACTUALLY IN USE BY THE NATIONAL BANK OF BAHRAIN AND THE AMERICAN BANKS OPERATING HERE AS BRANCHES (CITIBANK AND CHASE MANHATTAN).

2. WE WERE WICKED ENOUGH TO ASK BANK OFFICER WLMRIT HAD TAKEN THE TWO MAJOR BRITISH BANKS HERE (CHARTERED AND BRITISH BANK OF THE MIDDLE EAST) SO MUCH LONGER TO COME AROUND TO POSITIVE CERTIFICATION THAN EITHER LOCAL NATIONAL BANKS OR OTHER FOREIGN BRANCH BANKS (ALL OF WHICH SEEM TO HAVE MADE THE SWITCH IN JANUARY/FEBRUARY). OFFICER SAID THAT LOCAL BRANCH MANAGER WAS EXTREMELY CONSERVATIVE AND HESITANT TO BECOME INVOLVED IN CONTROVERSY WITH LOCAL BOYCOTT OFFICE. CHARGE REPLIED THAT ALL OTHER BANKS HAVE FOUND WAY TO ACCOMMODATE THEMSELVES BOTH TO LOCAL REQUIREMENTS REGARDING CERTIFICATION AS WELL AS AMERICAN REGULATIONS REGARDING AMERICAN FIRMS' ROLE IN ENFORCING BOYCOTT. BOTH SIDES AGREED THAT IT WOULD BE UNDESIRABLE FOR AMERICAN FIRMS EXPORTING TO BAHRAIN (\$75 MILLION IN FIRST SIX MONTHS OF 1977) TO CEASE USING BRITISH BANKS IN BAHRAIN.

3. BANK OFFICER KINDLY SHOWED CHARGE TELEXES FROM LIMITED OFFICIAL USE

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CHARTERED BRANCHES IN DOHA AND DUBAI REGARDING LETTERS OF CREDIT. INTERESTINGLY, DOHA BRANCH CLAIMED THERE WAS NO PROBLEM IN QATAR AND THAT IT HAD SWITCHED TO POSITIVE LANGUAGE "SOME TIME EARLIER". DUBAI BRANCH, ON THE OTHER HAND, SAID THAT THEY HAD YET TO WORK OUT ACCEPTABLE POSITIVE LANGUAGE AGREEABLE TO DUBAI BOYCOTT OF ISRAEL OFFICE AND WERE THUS STICKING WITH NEGATIVE LANGUAGE "FOR THE TIME BEING". BURLEIGH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BOYCOTTS, BANKS, LETTERS OF CREDIT
Control Number: n/a
Copy: SINGLE
Sent Date: 06-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANAMA01689
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770283-0698
Format: TEL
From: MANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770890/aaaacxtn.tel
Line Count: 102
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ee4ce360-c288-dd11-92da-001cc4696bcc
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